

Durham Convention Center Authority meeting

Tuesday, August 18, 2009

8:00 am

The meeting was called to order at 8:00AM with the following members present:

Authority: Rob VanDewoestine, Rosemarie Kitchin, Billy Ruffin, and Joe Bowser.

Owners: Harmon Crutchfield, Sharon DeShazo, Mícheál Lynch, Joel Reitzer, and Drew Cummings. *Management Company:* Dick Brezinski, Alfrado Garner, Joseph Hofmann and Wendy Jeffries. Motion of approval for July 21, 2009 minutes moved by Rosemarie Kitchin, seconded by Billy Ruffin, voted and agreed upon by all.

Open Issues:

- Phase II Capital Project
- Management agreement update

Action Items:

- Mr. Brezinski will get at least three quotes to design and maintain a convention center website and forward the information to the website committee for a recommendation.

Meeting Summary:

Management Company update

While July revenues were better than a year ago, they were \$47,014 versus a budget of \$66,310. There were on 23 events with 21 booked 91 days out. Administrative and General expenses are over budget by \$6,000 due to a bad debt accrual which has been recovered. Kitchen equipment repairs drove maintenance and repairs expenses over budget. Food Department labor expenses increased by \$11,855 over budget and raises concern since July revenues are extremely low. The sales team has increased their ability to confirm last minute business by 87.5%. Due to the economy, the sales team has seen a 15% drop in the number of inquiry calls received.

ESS statistics revealed that Shaner scored 23% higher than last calendar year with meeting planners. Joseph Hofmann reported there are approximately 10 surveys within the data points.

Mr. Reitzer proposed shared cost for the roof-top-unit #03 freeze failure with Skanska and is waiting on a final decision. The credit will be applied to the capital account in moving forward with Skanska(CM@R).

Mr. Brezinski made contact with the Raleigh convention center website designer and found that build costs are approximately \$10,000.00. He will pursue at least two other bids for construction and maintenance from webmasters who are preferably Durham residents. He is willing to use Shaner funds from radio advertising to get the project started and share those expenses at a later time. He distributed a sample page from the

Raleigh website to include the website address for further perusal. Mr. Brezinski will forward his information to the website committee for a recommendation. Mr. Cummings would also like the committee to consider any no cost alternatives. The proposal if approved is an increase to the operating budget.

Mr. Brezinski is meeting with the audio visual contract vender to ask for lower prices.

The energy audit team is currently working on an assessment schedule and requests 12 months of utility invoices.

Current Project - Phase I

The Design Team and the CM@R are continuing discussions with the suppliers and manufacturers regarding the faulty compact fluorescent can lamps. Duke Energy has completed their onsite re-monitoring to resolve their ongoing supply problems and concluded, with the design team's concurrence that no additional line reactance devices are required. There has been no unexpected shut downs on the HVAC system this summer. With Duke Energy's involvement they have tracked the transient switching problem at their substation. Skanska has been asked to contribute 50% of the RTU #03 freeze-failure issue.

Proposed New Project - Phase II (FY08-09 funds)

At a meeting with Shaner's Director of Facilities to review aspects of the HVAC system and how they may impact the Phase II scope, a request was made to consider façade cleaning for the facility. This raised concern about Shaner's potential liability for Phase II costs. HEERY will have a roofing consultant engaged to review project issues.

Mr. Reitzer stated that we need a preliminary analysis of all scope items and cost prior to committing to the final fee.

Project Budget

Design phase funded July 2008	-	\$1,176,000.00
Construction phase funded July 2009	-	\$5,335,000.00
Project total	-	\$6,511,000.00

Design Phase – 6 months

Following the Design Team's appointment they will join the steering committee to advise on code requirements and developing an agreed scope based on a review of the stakeholder's priorities. They will also develop a construction schedule and consult with the City Project Manager and Shaner for any business shutdowns which may be required.

Construction Phase – schedule to be determined

The CM@R will issue a Guaranteed Maximum Price developed from the accepted bid result which will be the basis of the construction phase contract.

Agenda for next meeting

- Status of new management agreement
- Lease agreement for the fitness center

- Website development
- Management report
- Capital construction update